

<b>Innisfree Housing Co-operative Inc.</b>  <b>Organizational By-law 4.1</b>	<b>Date Approved: June 15, 2011</b>	
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## INNISFREE HOUSING CO-OPERATIVE INC.\*

### BY-LAW #4.1

#### ORGANIZATIONAL BY-LAW

A By-law which outlines the rules and regulations by which the Co-op operates as a corporation, within the Co-op Corporation Act.

Approved by a majority vote of members at a General Membership Meeting, held at Anne-Marie Hill Co-op, on June 15<sup>th</sup>, 2010, at which there was a quorum present.

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## **ORGANIZATIONAL BY-LAW**

### **By-law No. 4.1 Organizational By-law**

This By-law contains the rules under which Innisfree Housing Co-operative Inc. (hereafter known as the Co-op) is organized. The Co-operative Corporations Act regulates the Co-op. Certain parts of the Act (hereafter known as the Act) contain rules which are not included in this By-law. Members should refer to them when questions come up.

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## ABOUT THIS BY-LAW

### **Article 1: About This By-law**

#### 1.1 Priority of This By-law

- (a) This By-law repeals By-law(s) 4. Any future by-law can only amend this By-law if the future by-law states that it is doing so.
- (b) If there is a conflict between documents, the documents will govern in the following order:
  - first, the Co-operative Corporations Act
  - second, the Articles of Incorporation
  - third, the Operating Agreement
  - fourth, the Co-op's By-laws

The Co-op, Board of Directors, Members and Employees must follow this order of priority.

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## MEMBERSHIP

### Article 2: Membership

#### 2.1 Membership

To become members of the Co-op, applicants must be approved by the Board and become residents of the Co-op.

When considering applications, the Co-op must comply with the *Ontario Human Rights Code*. A copy of this code is available in the Co-op office for members to review.

#### 2.2 Qualifications for Membership

To become members of the Co-op, applicants must be sixteen years or older. The Co-op may have other by-laws stating qualifications that applicants must have.

#### 2.3 Applying for Membership

- (a) Persons must apply for membership in writing on the form that the Co-op provides.
- (b) All members of an applicant's household who are sixteen years or older, and intend to live in the Co-op, must apply for membership or long term guest status. They must also attend the information session and interview. If they do not, the Co-op will not consider the application status.
- (c) New members must:
  - sign the occupancy agreement
  - pay the lifetime membership fee
  - pay the maintenance deposit, and

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- pay the first month’s housing charge
- (d) The Board can require a new member to have a co-signer or to make other special financial arrangements.
- (e) If long-term guests are permitted as part of an applicant’s household, the member is legally and financially responsible for the long-term guest living in their unit as stated in the Occupancy By-law 3.1.
- (f) Only members of the applicant’s household listed on the original application may live in the unit without prior Board approval.

#### 2.4 Transfers and Withdrawals

Members cannot transfer their membership to any other person. Rules that apply to withdrawing from membership are in the Co-operative Corporations Act and Articles 7 and 8 of the Occupancy By-law 3.1. Membership ends when a member dies.

#### 2.5 Members in Good Standing

All members of the Co-op are expected to be “members in good standing” as defined below:

A member is not in good standing if any of the following applies:

- the member falls within any of the arrears categories described in the Occupancy By-law that is in effect from time to time, and the member has not signed or has not met the terms of a Payment Agreement;
- the member causes or permits substantial damage to their unit or to other Co-op property, whether through the wilful or negligent act of the member, or by any person who the member permits on any part of the Co-op’s property, and the member has been contacted in writing by the Co-op and has not agreed in writing to remedy the situation in a manner and time acceptable to the Board of Directors;

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- the member has permitted a person not approved by the Co-op to occupy their unit and when notified in writing by the Co-op, has not agreed to a resolution satisfactory to the Board of Directors;
- in the opinion of the Board, on grounds sufficient to satisfy a reasonable person, the member has exercised or carried on or has permitted to be exercised or carried on anywhere on the Co-op property, an illegal act, trade, business, occupation or calling;
- the member has breached any other Co-op by-laws which is deemed by the Board to be “substantial” and has been notified in writing of the breach and has not resolved the matter to the satisfaction of the Board of Directors.
- A member who is not in good standing will be subject to limitations as may be identified in other Co-op By-laws and Policies.

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## **MEMBERS' MEETINGS**

### **Article 3: Members' Meetings**

#### **3.1 Annual Members' Meetings**

The Co-op must hold an annual members' meeting within eighteen months after incorporation. After that first meeting, annual meetings must be held no later than:

- fifteen months after the last annual meeting, or
- six months from the end of the Co-op's fiscal year

#### **3.2 Regular Members' Meetings**

The Board must call regular members' meeting at least once a year. These meetings are in addition to the annual meeting.

#### **3.3 Special Members' Meetings**

The Board or the members at a proper meeting can call a "Special Members" meeting. Members' meetings can also be called as stated in Article 4 of this By-law.

#### **3.4 Place of Meetings**

Members' meetings must be held in the regional municipality of Scarborough.

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### 3.5 Notice of Members' Meetings

Notice of any members' meetings must be given to the members. Notice must be given not less than 10 days before the date of the meeting. Notice cannot be given more than 50 days before the date of the meeting. Notice must include the time and place of the meeting. Notice must be given to everyone who is a member at least 11 days before the meeting. Article 13.2 of this By-law states rules for giving notice. Article 13.3 of this By-law states how to calculate the right date for giving notice.

### 3.6 Agenda of Regular or Special Members' Meetings

(a) The agenda for each **annual meeting** must include:

- approving the auditor's report
- approving the financial statements, and
- appointing the auditor for the next year

The agenda usually includes the election of directors, and reports from the Board, committees and employees.

The agenda must also include the general nature of any other business to be dealt with at the meeting. **Members can raise any matter at a meeting but they cannot vote on it if it was not included in the agenda.**

(b) The Board sets the advance agenda for **all members' meetings**. The notice calling the meeting must either include the agenda or be sent with the agenda. The notice must state the general nature of the items that the members will consider. **Members can raise any matter at a meeting but they cannot vote on it if it was not included in the agenda.**

If proper notice is given, the members can make any decision or pass any version of a by-law or budget. They can do this even if the version they pass is different from or contrary to the original.

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Members can add items to the advance agenda as stated in 3.6(d) and (e) of this By-law.

- (c) At the meeting, the members can adopt the advance agenda with or without changes. However, only those items that were included in the Notice of Meeting or Advance Agenda distributed by the Board, or in a notice as stated in 3.6(d) of this By-law, can be voted on. Items added to the agenda under 3.6 of this By-law must be within the authority of the members as stated in 4.1 of this By-law.
- (d) Members can have any item put on the advance agenda. However, members must give the Secretary written notice of the item at least **seven** days before the deadline for sending out the notice of the meeting.

Any items which members add will be put at the end of the advance agenda unless the members change the order of the agenda during the meeting.

- (e) If the members do not give notice to the Secretary in time, they can, at their own expense, give written notice directly to all members at least **ten** days before the date of the meeting.
- (f) A copy of a proposed by-law or budget does not have to be given with the agenda or notice of meeting. However, a copy must be given to each member as stated in 13.2 of this By-law at least **five** days before the meeting.

### 3.7 Continuing a Meeting on Another Date

- (a) If business is not completed at a meeting, the members can make a decision to continue the meeting on another date. The members can set a specific date, or state how a date will be chosen. A majority vote is needed to make the decision.

The agenda of the original meeting will be followed at the continued meeting unless the members decide to change it.

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- (b) If the members set a specific date for the continued meeting, there is no need to give another notice. If they do not set a specific date, the Board must give at least **two** days notice of the continued meeting unless the members decided on a different notice period.
- (c) Decisions made at a continued meeting will have the same effect as if they were made at the original meeting.

### 3.8 Quorum at Members' Meetings

- (a) Quorum at members' meetings means the minimum number of members who must be present for the Co-op to hold a members' meeting and make decisions or transact any business.

If there is no quorum, anything discussed has no official status.

- (b) **Twenty** percent of the members must make up a quorum.
- (c) A meeting must be called off if a quorum has not arrived **thirty** minutes after the meeting is scheduled to start. The members who are present can vote to re-schedule or continue the meeting on a date not less than **five** and not more than **fifteen** days later. There must be at least **two** days notice of the continued meeting.
- (d) If a full quorum has not arrived **one hour** after the continued meeting is scheduled to start, the quorum for that meeting will be **ten** percent of the members.
- (e) If members have requisitioned a meeting and there is no quorum present **thirty** minutes after the meeting was scheduled to start, the meeting must be called off.

Those present do not have the right to continue the meeting as in 3.8(c). The Board does not have to call another meeting in response to the requisition.

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### 3.9 Attendance by Non-Members

- (a) Employees of the Co-op or Representatives of a Management Company who are not members have the right to attend and speak at members' meetings unless the members decide otherwise. They cannot vote or make motions.
- (b) Other non-members can attend and speak at meetings only if the chair gives them permission. The members can reverse the chair's permission. Non-members cannot vote or make motions.

### 3.10 Record of Attendance

The Secretary is responsible for recording the names of all members who attend meetings.

### 3.11 Conduct of Members' Meetings

The **Rules of Order** are part of this By-law and are attached as Schedule A.

The Chair uses the Rules of Order to run members' meetings, and decides any question about procedure which is not in the Rules of Order. The members have the right to appeal the Chair's ruling as stated in the Rules of Order.

### 3.12 Voting

- (a) Every member of the Co-op has the right to one vote on each motion at any members' meeting. Anyone can vote who is a member at the time that the vote is held.
- (b) Only members who are present at the meeting can vote. Members cannot appoint someone else to vote for them.

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- (c) A majority vote is needed to make any decision, unless a by-law, or the Co-operative Corporations Act, states differently.
- (d) A two-thirds majority is needed to pass or amend by-laws.
- (e) An abstention is not counted as a vote. A tie vote defeats the motion.

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## **MEMBER CONTROL**

### **Article 4: Member Control**

#### 4.1 Powers of Board and Members

- (a) The Board runs the business of the Co-op. The members do not do this directly. However, the powers of the members include:
- electing directors under 5.4 of this By-law
  - removing directors under 5.11 of this By-law
  - approving the budget and housing charges under Article 4 of the Occupancy By-law
  - requisitioning directors to act under Article 4 of this By-law, and
  - appointing the auditor each year under 11.3 of this By-law
- (b) The Co-operative Corporations Act allows members' meetings to make decisions if:
- the by-laws or the Co-operative Corporations Act say that a members' meeting must decide something
  - the by-laws or the Co-operative Corporations Act give members the right to overrule a Board decision, or
  - members follow the procedures in the Co-operative Corporations Act and in Article 4 of this by-law

#### 4.2 Requisition for Passing a By-law or Directors' Resolution

- (a) Ten percent of the members can requisition the directors to pass any by-law or resolution. They must sign and deliver a notice to the Co-op's office. The notice must state the wording of the by-law or resolution.
- (b) The Board does not have to comply with the notice. If it wishes to comply, it must pass the by-law or make the decision within twenty-one days. If confirmation is required, the Board must also call a members' meeting to confirm it within the twenty-one day time limit, or put it on the agenda for a

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meeting that has already been called. The meeting does not have to be held within the twenty-one day limit.

If the Board does not wish to comply with the notice, any of the members who requisitioned the meeting can call a members' meeting for that purpose. This members' meeting has the full power to pass the by-law or make the decision. This is the only way that members can adopt a by-law that the Board has not passed.

- (c) The rules for these requisitions are in section 70 of the Co-operative Corporations Act.

#### 4.3 Requisition to Put a Resolution on the Agenda of a Members' Meeting

- (a) Five percent of the members can requisition the directors to put a resolution on the advance agenda for the next members' meeting. They must sign and deliver a notice to the Co-op's office. The notice must state the wording of the resolution. This notice may include an explanation of the resolution of no more than one thousand words. The Board will include this with the notice.
- (b) This procedure does not allow the members to:
  - pass a by-law unless the Board has already passed it, or
  - make a decision unless the members already had the right to make it without a requisition

It does allow members to remove a director under 5.11 of this By-law.

- (c) Members can have any item put on the advance agenda for a members' meeting as stated in 3.6(d) of this By-law.
- (d) The rules for these requisitions are in section 71 of the Co-operative Corporations Act.

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#### 4.4 Requisition for a Members' Meeting

- (a) Five percent of the members can requisition the directors to call a meeting for any purpose that is:
- connected with the business of the Co-op, and
  - is in agreement with the Co-operative Corporations Act

They must sign and deliver a notice to the Co-op's office. The notice must state the purpose for calling the meeting.

- (b) The Board can include the business of the requisitioned meeting as part of any meeting that is scheduled during the time period stated in section 79 of the Co-operative Corporations Act. Therefore, it is not necessarily a separate meeting.
- (c) The right to requisition does not allow the members to pass a by-law unless the Board has already passed it. This procedure is to be used when the Board is not calling members' meetings as often as it should. It does not give the members any authority which they do not already have.
- (d) The rules for these requisitions are in section 79 of the Co-operative Corporations Act.

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## BOARD OF DIRECTORS

### Article 5: Board of Directors

#### 5.1 Powers and Duties of the Board

- (a) The Board manages and directs business of the Co-op. It can use all the powers of the Co-op, unless the Co-operative Corporations Act or the by-laws say that a members' meeting is needed to decide on a specific matter.
- (b) The Board can act only by a decision at a proper Board meeting.
- (c) The Board must carry out the list of responsibilities attached to this By-law as Schedule B 4.1.
- (d) Each Director must sign and comply with the Ethical Conduct Agreement attached to this by-law as Schedule D 4.1.

#### 5.2 Number of Directors and Quorum

- (a) The Board is made up of **eight** directors.
- (b) Quorum at Board meetings means the minimum number of directors who must be present to hold a Board meeting and make decisions or transact any business.
- (c) **Five** Directors make up a quorum to deal with the business of the Co-op.

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### 5.3 Who Can Act as a Director

- (a) Some of the rules stating who can be a director are in section 89 of the Act. They are repeated in this By-law.

To be a director, a person must be eighteen years or older and a member of the Co-op.

A majority of directors must be Canadian citizens or landed immigrants. Anyone who is an un-discharged bankrupt or mentally incompetent cannot be a director.

**Two or more persons who occupy the same unit may not be directors at the same time.**

- (b) Any member in arrears cannot be a director.
- (c) Directors must be elected at a members' meeting. Members cannot be directors if they were present at a meeting and refused to accept the office. If absent, a person must agree in writing to be a director. They must do this within ten days of the meeting. If not, there is a vacancy on the Board and 5.12 of this By-law applies.

The agreement form to be a director is attached to this by-law as **Schedule E 4.1 – Agreement to be a Director.**

### 5.4 Election of Directors

- (a) Members elect the directors. Normally elections take place at the annual meeting but they can be scheduled for another meeting. If vacancies occur, the Board appoints someone as stated in Article 5.12 of this by-law.
- (b) Sections 90 and 91 of the Co-operative Corporations Act state the election procedures that the Co-op must follow.

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The election is by secret ballot. **Members must cast a number of votes equal to the number of positions to be filled. Any ballot which has more or less votes will not be counted.** For example, if the meeting is electing seven directors, then members must vote for seven of the candidates. Members cannot vote more than once for a candidate. Members cannot appoint someone else to vote for them.

- (c) If the number of nominees is equal to the number to be elected, or less, the Secretary will cast a single vote in favour of all the candidates.
- (d) Members can vote only during a proper meeting. There must be a quorum present from the time the ballot boxes open until the final vote is cast. There does not have to be a quorum present while the votes are being counted and when the results of the vote are announced. If there is a tie and a quorum is no longer present, then the Board must call a new meeting to complete the election.

#### 5.5 Election Officer or Committee

- (a) Before the meeting to elect directors, the Board can appoint an election officer or an election committee. The officer or committee members do not have to be members of the Co-op.

The election officer or committee is responsible for:

- giving information about the election to the members, including educating members on the duties and responsibilities of the Board
  - getting candidates
  - making sure that the election follows the rules stated in the Co-operative Corporations Act and the Co-op's by-laws, and
  - supplying initialed ballots with a number of spaces equal to the number of directors to be elected
- (b) The election officer or committee should try to have more candidates than the number of directors to be elected.

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- (c) If the election officer or committee presents a list of candidates to the meeting, those candidates will have to be nominated. Members can nominate themselves or any other candidate.

5.6 Procedures for Elections

- (a) The members can appoint an election officer or committee. If the Board has appointed an election officer or committee for the election meeting, the members can approve this appointment for the meeting or appoint someone else. If no one is appointed, the Chair can perform the duties of the election officer or committee or appoint someone else.
- (b) The candidates who receive the greatest number of votes are elected to the Board. The election officer or committee counts the votes and announces the results. The election officer or committee should not announce the number of votes that each candidate got or the order in which they finished.
- (c) A second election must be held immediately if there is a tie for the final position on the Board. In the second election only the candidates who were tied for the final position can be on the ballot.
- (d) If a quorum is present and a member moves to have a recount immediately after the results are announced, and majority of members agree, there must be an immediate recount with scrutineers present. Detailed results must be announced.
- (e) After the election, the election officer or committee must return the ballots to the ballot box. The ballots must be kept in a sealed container in the Co-op office, or some other safe place, for **seven** days. Then the officer can destroy the ballots.
- (f) During the **seven** day period, ten percent of the members can requisition a special members' meeting to recount the votes. If this happens, the ballots must be kept until the requisitioned meeting. There must be scrutineers present at the recount and detailed results must be

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announced. Until the recount, the results announced at the election meeting will stand.

5.7 Term of Office

- (a) The directors will have staggered terms. At the first election using this system, the **four** candidates with the largest number of votes will be elected for a **two** year term. The next **four** candidates will be elected to a **one** year term. From then on, the normal term for directors will be two years.
- (b) Unless they resign or are removed, directors serve until the first Board meeting following the election of their successors.

5.8 Conduct of Individual Directors

Each director must:

- act honestly, in good faith and in the best interests of the Co-op at all times
- attend all Board and members’ meetings, unless excused by the Board
- prepare for all meetings, and
- sign and comply with the Ethical Conduct Agreement – Schedule D 4.1 and the Confidentiality Agreement – Schedule G 4.1 to this by-law

5.9 Indemnification of Directors

- (a) The Co-op will indemnify all directors and officers, and their heirs and legal personal representatives, to the maximum extent permitted by section 110 of the Co-operative Corporations Act. This includes paying for any judgment or costs against the directors and officers less any costs that result from failing to comply with their duties to the Co-op. The Co-op will indemnify all employees to the same extent.

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The Co-op should sign an agreement promising to do this.  
The Co-op will use the agreement form that is attached to this by-law as  
**Schedule F 4.1 – Director’s Indemnity Agreement.**

- (b) The Co-op must purchase a policy of Directors’ and Officers Liability Insurance to protect the Co-op and the Directors and Officers.

#### 5.10 Resignation of a Director

A director can resign by giving written notice, delivered either to the president or to the Co-op office.

The resignation will not take effect until the Board accepts it. The Board must accept any resignation at the first meeting after it is received, unless it is withdrawn.

#### 5.11 Removal of a Director

- (a) Members Can Remove a Director

The members can remove any director before the end of the director’s term. Notice that a motion will be made to remove a director must be given at least **ten** days before the meeting. The motion must be passed by a majority vote.

- (b) The Board Can Recommend Removal

The Board can recommend that the members remove a director if the director:

- is absent from **three** consecutive Board meetings without permission or proper excuse

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- has broken the confidentiality rules in Article 10 of this by-law or has broken the Ethical Conduct Agreement that is Schedule D 4.1 to this by-law
- has not carried out the responsibilities of a director, or
- has not carried out the responsibilities of a member or has broken the Co-op's by-laws

The Board must give written notice to the director of the Board meeting held to discuss the recommendation.

The notice must state:

- time and place of the meeting, and
- the reasons for the recommendation

Notice must be given to the director at least **seven** days before the meeting.

The director can appear and speak at the Board meeting. The Board decides and votes on the recommendation without the director present.

If the Board decides by a majority vote to recommend the removal of a director, it must present a resolution to the next members' meeting. The members must then make a decision. The director remains in office until the members make a decision.

**A Director that is in arrears ceases to be a director as stated in Section 5.3 (b). This section 5.11 does not apply.**

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## 5.12 Vacancy

### (a) When the Members Remove a Director

The members can elect any qualified person to replace the director for the rest of the term of the former director. If the members do not do this, then 5.12(b) applies.

### (b) When Vacancies Occur for Any Other Reason

If there is still a quorum on the Board, the directors can appoint a qualified member for the rest of the term of the former director.

The appointment takes effect immediately. But the election of the director must be put on the agenda for the next members' meeting. The appointment will be considered confirmed unless the members elect someone else.

If no quorum of directors remains in office, the remaining directors must call a members' meeting to fill the vacancies. At that meeting the members elect directors to serve the rest of the terms of the former directors.

### (c) Articles 5.4, 5.5 and 5.6 of this by-law apply to filling vacancies except that normally there is not an election committee.


## 5.13 Board Meetings

### (a) Place of Meetings

Board meetings must be held at the Co-op or at another place within the regional municipality of Scarborough.

### (b) Regular Meetings

The Board must hold regular monthly meetings on a date decided at the previous meeting, or at a regular time set by the Board. There is no need to give notice of regular meetings.

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(c) Special Meetings

The Board can hold special meetings. A special meeting can be called by a decision of the Board, by the president or vice-president, or by a quorum of directors.

Each director must be given at least **three** days written notice of a special meeting. The notice must state the general nature of the meeting's business.

(d) Emergency Meetings

A special meeting of the Board can be called on less than **three** days notice if:

- there is an emergency, and
- a quorum of directors is present at the meeting

Emergency meetings can be called only in very unusual circumstances. For example, roof repairs might have to be done immediately to avoid serious damage. Notice of an emergency meeting must be given in writing or by telephone, and both if possible.

There must be a report to the next regular directors' meeting of any decision made at an emergency meeting.

(e) Agenda of a Board Meeting

An agenda should be given to directors before a Board meeting. The agenda contains the items that the directors will consider at the meeting. At regular meetings, however, the Board can consider or adopt any motion even if no notice of the item was given.

At special meetings or at emergency meetings, the Board can only consider the business stated in the notice, or the agenda given with the notice.

(f) Giving up the Right to a Notice

Directors can give up their right to a notice. This must be done in writing.

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- (g) Chair  
The chair of Board meetings can be either the president or another person chosen by the Board.

The chair can vote on all matters which come before Board meetings, if the chair is a member of the Board, but cannot vote a second time if there is a tie.

- (h) Voting  
A majority vote is needed to make a decision unless this by-law states differently.

- (i) Procedures  
This By-law's procedures for members' meetings and the Rules of Order apply to Board meetings except when this by-law states differently. Procedures at Board meetings will be the same as members' meetings with all appropriate changes.

- (j) Taking Part in Meetings  
If none of the directors present at a meeting objects, any or all directors can participate in a Board meeting by telephone or other communication equipment. All the directors must be able to hear each other.

#### 5.14 Members, Non-Members and Employees at Board Meetings

Members, employees and/or Management Company Representatives of the Co-op can attend Board meetings except when the Board makes a decision stating that some or all of the business of the meeting is confidential. Persons who are not directors can speak with the Board's permission, but they cannot make motions or vote.

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5.15 Minutes of Board Meetings

- (a) The approved minutes, or brief summaries, of all board meetings should be made available to members as soon as possible after the meeting.

For example, this can be done by publishing them in the Co-op newsletter, sending them to members' units, or putting them up in a prominent location in the Co-op.

A copy of the board minutes must be available to members in the Co-op office during regular office hours.

- (b) Confidential minutes must only be available to Board members unless the Board decides otherwise.

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## OFFICERS

### Article 6: Officers

#### 6.1 Meaning of “Officers”

Unless this by-law or the Co-operative Corporations Act states differently, the word “officers” means only the officers as stated in this article. It does not refer to employees of the Co-op.

#### 6.2 Election of Officers

- (a) The Board elects the following officers annually, or more often as needed:
- president
  - vice-president
  - corporate secretary
  - treasurer
  - the delegate to the Co-operative Housing Federation of Toronto
  - the delegate to the Co-operative Housing Federation of Canada

All officers will be elected at the first meeting after the Board’s election. The Board can fill vacancies as necessary. The Board can elect any other officers and give them any authority and duties.

- (b) No person can hold more than one office, except that an officer can be elected as a delegate to the Co-operative Housing Federation of Toronto and to the Co-operative Housing Federation of Canada.
- (c) All officers must be members of the Co-op. Only the president and the vice-president must be directors. The office of president, vice-president becomes vacant as soon as the director ceases to be a director for whatever reason.

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### 6.3 Removal of Officers

This section deals with removing an officer. 5.11 of this by-law deals with removing a director. The office of president or vice-president becomes vacant as soon as the office holder resigns or is removed as a director.

- (a) A majority of the Board can remove any officer by a decision at any time and for any reason. Notice of this decision must be given to all directors.
- (b) If the officer is not a director, the officer is also entitled to notice of the meeting and the opportunity to be heard at the meeting.
- (c) The directors can immediately choose another qualified person to fill the vacancy.

### 6.4 Resignation of Officers

This section deals with the resignation of an officer. 5.10 of this by-law deals with the resignation of a director.

An officer can resign by giving written notice to the president or the office of the Co-op. The resignation takes effect when the Board accepts it. The Board must accept any resignation at the first meeting after it is received, unless it is withdrawn.

### 6.5 The President and Vice-President

- (a) The President:
  - gives leadership to the Co-op
  - follows the decisions approved at Board and Members' meetings, and
  - facilitates the work of the Board, committees, members and employees

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- (b) The president and vice-president work together to carry out the above responsibilities. They decide how they will share them. They review their roles regularly to make sure that they are carrying out all the responsibilities.

#### 6.6 The Secretary

- (a) The secretary must ensure that:
- all required notices of Board and Members' meetings are given
  - all the necessary documents for Board and Members' meetings are provided
  - the minute book of the Co-op is kept up to date
  - all legally required notices are given, such as the notice of meetings
  - all necessary notices are filed with the Ministry
  - complete minutes of all Board and Members' meetings are kept and distributed before the next meeting, and
  - a copy of all new by-laws is given to the members as soon as possible after they are confirmed by the members
- (b) The secretary will not personally perform these duties if they are part of employees' duties. The Co-op Manager must see that all employees' duties are done and that legal requirements are met.

#### 6.7 Recording Secretary and Corporate Secretary

The Board can appoint a recording secretary as well as a corporate secretary.

- (a) A **Recording Secretary** takes and distributes the minutes of Board and Members' meetings.
- (b) A **Corporate Secretary** is responsible for all the other duties of the secretary.

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## 6.8 The Treasurer

The treasurer must understand and review the Co-op's finances and report on them to the Board, finance committee (if there is one) and the members. The Co-op Manager is responsible for the day-to-day financial management of the Co-op.

## 6.9 Delegate to the Co-operative Housing Federation of Toronto and to the Co-operative Housing Federation of Canada

The delegate to those federations or other organizations

- represents the Co-op at federation meetings
- informs the Board and the members of what the federations are doing
- informs the federations of the views and concerns of the Co-op, and
- votes at federation meetings. The delegate must get direction from the Board on important issues.

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## **EMPLOYEES**

### **Article 7: Employees**

#### **7.1 Employment of Employees**

- (a) The Board hires employees to fill all staff positions. This includes contracting with property management companies and their staff, herein after considered employees. When hiring property management companies, the Board is required to follow the proper tendering procedures as outlined in the Co-op's Spending by-law that is in effect from time to time.
- (b) The Board should provide a job description for each employee's position where appropriate. The job description states the responsibilities and authority of the position.
- (c) A permanent full-time employee cannot be a member of the Co-op.
- (d) Ordinarily, a permanent full-time employee cannot live in the Co-op. If the Board decides that the employee's duties make it necessary to live in the Co-op, the employee will be a tenant of the Co-op. The Board will pass a motion designating the employee's unit as a non-member unit under the Co-operative Corporations Act. The Residential Tenancies Act, will apply, and the employee's unit will be treated as a superintendent's premises under the Act.

#### **7.2 Supervision of Employees**

- (a) The Board is the final authority for the Co-op in relation to employees. It sets the terms of employment.

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- (b) The employees work under the instructions of the Board. However, the employee's contract, personnel policy or job description may state that some employees will work under the instructions of a senior employee.
  
- (c) Employees must provide any information about their position that the Board asks for.

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## COMMITTEES

### Article 8: Committees

#### 8.1 Creating Committees

The Co-op will provide appropriate training to members joining certain committees. There are two ways to create a committee.

- (a) The Board can create a committee. It can decide on the duties of the committee and appoint the committee's members.
- (b) A Members' meeting can create a committee. The Members' meeting can decide on the duties of this committee and appoint the committee's members. These duties are limited by 8.2(b) of this by-law. If the Members' meeting does not decide on the duties, the Board can do so.
- (c) All members of committees must sign the Confidentiality Agreement that is Schedule G 4.1 to this by-law if the committee may have access to confidential or personal information. Examples are finance, membership and maintenance committees.

#### 8.2 Role of Committees

- (a) A committee must have the authority from a by-law or from a motion passed by the Board to:
  - spend any money
  - authorize any expense
  - enter into any contract, or
  - commit the Co-op to any action

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### 8.3 Meetings

Committees should meet as often as required in order to carry out the work of the committee. No decisions can be made without quorum present at the meeting.

Minutes should be taken for all committee meetings and include decisions made at the meeting. Confidential minutes should be kept in a secure place in the Co-op office.

### 8.4 Removal of a Committee Member

Committees can recommend to the Board that a committee member be removed if the committee member

- is absent from three consecutive meetings without prior notice and the absences are not due to exceptional circumstances
- has broken the confidentiality rules in Article 10 of this By-law
- has not carried out the responsibilities of a committee member or a member or has broken the co-op's by-laws.

The procedure shall be as follows:

- The Chair of the committee shall notify the members of the committee in advance of the meeting to discuss the issue. The Chair or any member of the committee shall present the reasons for removal to the committee.
- If the committee decides to proceed with a motion to recommend removal, then the committee member will be notified of the meeting date to discuss the issue and will be given the opportunity to appear and speak at the meeting.
- If the committee decides to recommend to the board the removal of a committee member, the committee member will be notified immediately following the meeting of the committee's decision and the matter will then be forwarded to the Board of Directors.
- The Board will deal with the committee's recommendation at the next regularly scheduled Board meeting following the receipt of the committee's recommendation. The committee member will be notified **seven** days in advance of the Board meeting and will be given the opportunity to appear and speak at the Board meeting.

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- The Board will review the committee’s recommendation and the committee member’s representations and then notify both the committee and the committee member of the Board’s decision. The Board’s decision is final.

#### 8.5 Board Liaison

The Board will appoint Board members to act as a liaison to certain committees. In the absence of board liaisons, reporting will come from the office. The role of the liaison is to act as the contact person between the committee and the Board. The Board will request that the liaison provide written or verbal reports regarding the committee’s activities. The liaison is not a member of the committee but is entitled to attend and speak at committee meetings. Refer to **Schedule H 4.1 – Board/Committee Relations**.

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## CONFLICT OF INTEREST

### **Article 9: Conflict of Interest**

#### 9.1 What is Conflict of Interest?

All, directors, officers, committee members, agents and employees must carry out their duties honestly, in good faith and in the best interests of the Co-op rather than their personal interest. This includes following the Co-op's by-laws and government legislation about conflict of interest.

In this by-law a person related to a director, officer, committee member, agent or employee means a parent, spouse, partner, child, household member, sibling, uncle, aunt, niece, nephew, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandparent, or a person with whom the director, officer, committee members, agent or employee has a business relationship.

A conflict of interest is when someone benefits personally in any way from a decision of the Co-op.

A conflict of interest can happen when a director, officer, committee member, member, agent or employee

- recommends, makes or takes part in a decision affecting the Co-op's affairs and
- the result of the decision gives the person a financial or other benefit which other Co-op members do not have, or which only a few other members have. This financial or other benefit may be direct or indirect.
- an employee recommends or takes part in a decision affecting the Co-op's affairs and the result of the decision gives the employee, or a person related to the employee a financial or other benefit. This financial or other benefit may be direct or indirect.

Examples of conflict of interest are

- the Co-op does business with a director or employee of the Co-op in which the director or the employee or a person related to them have a financial interest or stock.

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- someone living in the Co-op or an employee is involved personally in a procedure of discipline where they or someone related to them made the complaint or where a household member, friend, or relative is being disciplined.
- the Board gives out on-call positions to friends or family without telling all members that positions are available.

Sometimes decisions have to be made which affect the friends or relatives of directors, officers and committee members and members. If the relationship is close enough, there may be a conflict of interest.

For example, there might be a decision of the Board to evict a friend of a director. If there is a close relationship, it might influence the director's decision and the director should declare a conflict of interest.


There are other types of conflict of interest. The Co-op should deal with them by using the principles contained in this Article.

## 9.2 Procedures

The Board must report conflicts of interest in the minutes of any meeting where the Board discussed a conflict of interest or a potential conflict of interest pertaining to a board member, officer, committee member, member, agent or employee. The minutes must

- record the Board's decisions
- record the options the Board considered
- show how the decision was in the best interest of the Co-op
- show how the decision was appropriate for a body that receives significant public funding

The facts of each case are different and careful judgement is needed to decide whether there is a conflict of interest. Even a perception of conflict of interest could undermine the appearance of integrity and the credibility of the Co-op's business practices and the government funding program.

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Therefore, the Board, committee members, agents and employees should follow the procedures below to determine if there is a conflict of interest and to deal with the conflict of interest if it exists.

**(a) When a director has or may have a conflict of interest**

The director must declare the conflict of interest or possible conflict of interest, at or before the first Board meeting after becoming aware of the conflict of interest or potential conflict of interest. This declaration must be recorded in the minutes of the meeting.

If the board member does not declare the conflict of interest or potential conflict of interest, but another board member is aware of one, the other board member should bring it up at the meeting.

The Board must consider the matter no later than the second meeting after the notice of the conflict of interest was given. The Board shall decide whether there is a conflict of interest. This discussion must be recorded in the minutes of the meeting.

If the Board decides that there is a conflict of interest, the director cannot vote on the matter and must not be present at any or parts of the meetings when the matter is discussed and the director does not count as quorum for those parts of the meeting.

**b) Financial conflicts of interest**

This paragraph applies in addition to Article 9.1 if a director or officer has or may have a financial conflict of interest.

In the case of contracts or agreements, the provisions of Article 9.4 apply.

Other financial conflicts of interest may be approved if the Board believes that there is no reasonable alternative, that their decision is in the best interests of the Co-op and is appropriate for a body that receives significant public funding.

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Where the board approves a financial conflict of interest they must report it at the next meeting of the members. This does not apply to payments for on-call duties as set out in Article 9.4. If the board does not approve the financial conflict of interest the minutes must show this.

**(c) When a committee member has or may have a conflict of interest**

A committee must follow the same procedure as the Board if a committee member has or may have a conflict of interest.

The matter can be appealed to the Board if there is a dispute. If the conflict of interest is financial, it must be referred to the Board. The Board's decision is final.

**(d) When an employee or agent has or may have a conflict of interest**

The employee must report a conflict of interest to the employees' liaison or to the president. The employees' liaison or president will report it to the Board. The employee must follow the Board's directions.

**(e) When a member has or may have a conflict of interest**

Members should try to act in the best interests of the Co-op. All members can take part in discussions and vote at Members' meetings, even if they have a conflict of interest. However, members must declare a conflict of interest before taking part in the discussion.

**(f) All other conflicts of interest**

If any member or director acting for the Co-op has or may have a conflict of interest that person must report it to the Board. The Board must decide on the matter.

The above procedures are in addition to and do not replace the requirements of the *Co-operative Corporations Act* or the common law.

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### 9.3 Avoiding Conflict of Interest

The Board will closely monitor its relationships, contracts, arrangements and agreements. It will not engage in any activity that may result in a conflict of interest and the Board will resolve conflicts of interest as described in Article 9.2 of this by-law.

The Board will promote fair, open and objective business policies and practices in all its purchasing, contracting and hiring.

The Board and employees must follow the Co-op's by-laws and policies regarding spending.

### 9.4 Payment of Directors

Directors and officers serve without payment of any kind. However, they have a right to be paid for travelling or other expenses while doing business for the Co-op as long as the expenses are reasonable. The Board must also authorize these expenses. These expenses must meet any guidelines and limits set by the Board or the Co-op's by-laws. Directors cannot receive compensation for lost income while doing business for the co-op.

Despite anything else in this by-law, directors and officers or people related to them, cannot enter into any contracts with the Co-op other than contracts that are generally available to other members such as occupancy payment agreements.

Directors and officers hired by the Co-op to a paid position must resign from office. This does not apply to being the on-call person for the equivalent of one day less a week.

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## INFORMATION AND CONFIDENTIALITY

### **Article 10: Information and Confidentiality**

#### 10.1 Access to Member's Files and Accounts

Members have the right to see their own personal files and financial accounts. Members may have to make an appointment. The Co-op shall use and share information only with the written agreement of the individuals concerned or as permitted by law and government agreements that apply to the Co-op, or the Co-op by-laws and occupancy agreements.

The Co-op will store personal information securely to prevent unauthorized use. The Co-op will destroy personal information when the Co-op no longer needs it and when permitted by law.

The Co-op will correct any errors in personal information that the individual brings to the Co-op's attention. If any member believes that there is an error in their personal file or accounts, Co-op employees should try to correct the problem. If the Co-op employees' does not think that there is a mistake, they should explain the record to the member. If the member is still not satisfied, the member can take the matter to the Board by following the procedure outlined in such policy that the Board enacts and that is in effect from time to time.

#### 10.2 Confidentiality of Board and Committee Business

- (a) Sometimes, directors or committees discuss confidential matters. All directors and committee members must keep these matters secret, even after they are no longer directors, members of the committee, or members of the Co-op.

Confidential matters are:

- personal and financial information about members and other residents
- personal information about Co-op employees, and

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- information about Co-op business which should be kept secret to protect the Co-op
- (b) Officers, employees or members sometimes learn confidential information. They must keep that information secret and not pass it on to anyone else.
- (c) When the Board discusses confidential matters, the minutes of these discussions must be kept in a separate section of the minute book. Only Board members can see the confidential minutes.
- (d) Directors must decide which items are confidential. They should remember that members have the right to be fully informed about the Co-op's business. They must have a good reason for keeping something confidential.
- (e) Confidential or other personal information may be made available to the Board as stated in this by-law, the Occupancy By-law and any policies that are in effect from time to time.
- (f) Directors, employees, Finance and Membership committee members should sign the confidentiality agreement form that is attached to this by-law as **Schedule G 4.1 – Confidentiality Agreement.**

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## FINANCIAL

### Article 11: Financial

#### 11.1 Fiscal Year

The fiscal year of the Co-op starts May 1 and ends April 30 of the following year.

#### 11.2 Auditor


- (a) The members appoint an auditor at each annual member's meeting. The auditor can be either a chartered accountant or a chartered accountant firm.

The auditor stays in office until the members appoint the next auditor. The Board will arrange for payment of the auditor if authorized by the members.

- (b) Sections 124 and 125 of the Co-operative Corporations Act state how to remove an auditor and appoint a different auditor.
- (c) The auditor must have access to the books, accounts and vouchers of the Co-op at all reasonable times.
- (d) The directors, employees and officers of the Co-op must provide any information and explanations which the auditor needs.

#### 11.3 Auditor's Report

The auditor reports at the annual member's meeting on the financial statement of the Co-op.

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#### 11.4 Signing Officers

- (a) The president, vice-president, secretary and the treasurer will be signing officers.
- (b) All cheques or other negotiable documents must be signed by two signing officers. Officers must never sign a blank cheque.

Before signing a cheque or other negotiable document, the officers must make sure that the expense has been properly approved.

- (c) All other documents must be signed by two signing officers. This includes any written commitment for the Co-op such as a contract for work to be done. Before signing a document, the officers must make sure that the document has been properly approved.

The Board can make a specific decision to appoint any officer, director or employee to sign documents, or any class of documents, for the Co-op.

- (d) Signing officers must have Board approval before making any commitments, or entering into contracts or obligations, for the Co-op.
- (e) When authorizing a document, the Board can decide its exact form. If it does not, the signing officers can approve the final document.
- (f) Anyone who has the authority to sign documents can also put the corporate seal on a document.

#### 11.5 Power to Borrow

- (a) The Board can:
  - borrow money on the credit of the Co-op
  - issue, sell or pledge securities of the Co-op, and
  - use the property of the Co-op as security for a loan or payment of a debt

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- (b) Total liabilities under 11.6(a) cannot be more than **\$25,000**, unless the members approve by a special resolution.
- (c) The Board does not have to pass a special resolution if it is renewing or refinancing an existing loan without increasing the principal.

11.6 Investment of Co-op Funds

- (a) The Board can invest Co-op funds in government bonds, treasury bills or other securities backed by the governments of Canada or Ontario. The Board can deposit funds with a:
  - credit union
  - chartered bank
  - trust company, or

The Board must not invest Co-op funds in any investment or security other than those mentioned above without the approval of the members.

- (b) To help promote Co-op principles, the Board should consider investing Co-op funds in a credit union.
- (c) If there are any reserves or special funds, money earned on them will be put back into the funds.
- (d) When investing funds the Board must comply with any limitations in the Co-op's agreements with funding authorities.

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## **MEMBERSHIP IN FEDERATIONS**

### **Article 12: Membership in Federations**

#### 12.1 Membership in Federations

The Co-op should become a member of co-operative federations and associations which support and promote co-operative housing. The Co-op must pay the reasonable expenses of members appointed to attend federation activities.

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## NOTICE

### Article 13: Notice

#### 13.1 Defects in Notice

A minor error or omission in any notice will not affect any decision made by the Board or members. This includes accidentally failing to give notice to a person entitled to it. It also includes a person's not receiving a notice that has been sent.

#### 13.2 Delivery of Notice

- (a) Except where the Co-operative Corporations Act states otherwise, the Co-op needs to give only one notice per unit.

Any notice or other document can be

- handed personally to the member
- left with an adult in the member's unit
- left in the mail box
- taped to the door
- delivered in any other manner to the member's unit, or

- (b) These rules do not apply to notices given to members when they are evicted. The rules for eviction notices are those set out from time to time in the Occupancy By-law that is effect from time to time.

#### 13.3 Calculating Time for Notices

When calculating the time for a notice, the date on which the notice is given is not counted, but the date of the meeting or event is counted. For example, a members' meeting is scheduled for Thursday, October 21<sup>st</sup>. The by-law says that there must be a notice of ten days. Counting back ten days, including the day of

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the meeting, this count will end at Tuesday, October 12<sup>th</sup>. Therefore, notice should be given on or before Monday, October 11<sup>th</sup>. Sundays or holidays are included when counting.

**ORGANIZATIONAL BY-LAW**

CERTIFIED to be a true copy of By-law No. 4.1 of Innisfree Housing Co-operative Inc., passed by the Board of Directors at a meeting held on the 18<sup>th</sup> day of May, 2010 and confirmed by a two-thirds majority at a meeting of members held at Anne-Marie Hill Co-op on the 15<sup>th</sup> day of June, 2010.

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*\* Approved by the Board of Directors at a Board Meeting held on May 18<sup>th</sup>, 2010  
Approved by the Members at a General Meeting held at Anne-Marie Hill Co-op on June 15<sup>th</sup>, 2010*